

"SUSTAINABLE BUSINESS PRACTICES IN DIGITAL ENVIRONMENT"

### IMPROVING THE COMPETITIVENESS OF SONGKOK'S SMALL AND MEDIUM INDUSTRIES (SMI) IN GRESIK DISTRICT THROUGH ENTREPRENEURIAL MARKETING

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Abstract: This research needs to be done because the Songkok small and medium industry (SMI) in Gresik Regency has not been able to develop optimally and is still having difficulty in facing business competition. Therefore, it takes the right strategy to increase its business competitiveness. This research is an interpretive qualitative research (interpreting) with the aim of identifying the strengths, weaknesses, opportunities, and threats of the SMI itself which focuses on SWOT analysis. Then from the results of the analysis used as a reference in determining competitiveness and as a basis for determining the dimensions of entrepreneurial marketing. Data collection techniques used were interviews and observation methods. Data collection techniques used were interviews and observation methods. Based on the results of the analysis carried out using the IFAS – EFAS matrix, the TOWS matrix and the SWOT Cartesian Diagram, the strategies obtained are strategies that are in quadrant 1 (one), namely the SO strategy which is an aggressive strategy. Through the SWOT analysis, it is known that the company's greatest strength is its long experience in the field of songkok, while the biggest weaknesses are in the capital system and working capital turnover. The biggest opportunity that can be exploited is to start using digital marketing as a strategy to improve sales performance and expand the reach of marketing distribution, Meanwhile, the biggest threat to songkok business actors is the presence of competitors with bigger production capacities, capital and names.

Keywords: entrepreneurial marketing, competitiveness, SWOT analysis,

#### 1. Introduction

Gresik Regency is one of the districts in East Java Province which is known as the city where the Semen Gresik Factory was founded, which is the first and largest cement factory in Indonesia. PT Freeport Indonesia's largest smelter and smelter factory in the world will also soon be established in the Gresik Regency area. Aside from that, Gresik is also known as the city of students and the city of Songkok. In the last few decades, Gresik has developed into an industrialist city. Various industries ranging from small scale to large scale have been established in this santri city. The movement and development are so fast, able to shift the pattern of life of the people, because of the large number of immigrants



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from outside the Gresik area who came to work so that there was a shift in the lifestyle of the people to become more modern and open- minded. With the emergence of various types of industry in the Gresik area, many people have begun to depend on their economy by choosing to become employees in one of the industries in the region. However, this phenomenon should be used as an opportunity by exploring various prospective business potentials.

Viewed from the perspective of small and medium industries (SMI), such conditions can lead to increased competition among SMIs, Therefore, to face this competition, business actors are required to be more dynamic in improving their business performance. One of them is SMI Songkok which has become a handicraft industry with national reputation since the 1970s.

At first the Songkok industry was only centered in certain areas in Gresik Regency, but now it has started to develop in several other areas. This development was caused because Songkok had become a symbol and one of the identities of the Indonesian people, thus making it a creative industry for regional handicrafts in Gresik regency. So far Songkok SMI still has a growth rate that is not optimal, this is due to several factors, including: productivity level, capital structure and working capital turnover, quality of human resources, product distribution network, and others.

Songkok is currently not only a part of clothing for worship, traditional clothing, culture, however, it has become part of the identity of the Indonesian people which is used not only for Muslims, but for all groups and religions, and it can be seen at certain events where everyone wears a Songkok which incidentally was originally a head covering used by Muslims for worship. Based on the description above, the problem formulations in this study are: How to increase the competitiveness of SMI Songkok in Gresik Regency through Entrepreneurial Marketing. The purpose of this research is knowing how to increase the competitiveness of SMI Songkok in Gresik Regency.

#### 2. Literature Review

#### **Entrepreneurial Marketing**

Entrepreneurship and marketing are two different fields of study. The term entrepreneurial can be defined as part of a strategic orientation that affects the marketing function. So it can be interpreted that the concept of entrepreneurial marketing is a combination of the concept of entrepreneurship and the concept of marketing. Entrepreneurial Marketing has a very broad scope and until now there is no standard definition for the meaning of Entrepreneurial Marketing.

There are various definitions of entrepreneurial marketing from researchers, including Kraus, et.al (2009) define Entrepreneurial marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders, and that is characterized by innovativeness, risk-taking, proactiveness, and may be performed without resources currently controlled.

Hills and Hultman (2008) in Morrish and Deacon (2009), Entrepreneurial marketing is a spirit, an orientation as well as a process of passionately pursuing opportunities and launching and growing ventures that create perceived customer value through relationships by employing innovativeness, creativity, selling, market immersion, networking and flexibility.

Morrish et al. (2010), the construct of Entrepreneurial marketing is not simply the nexus between the sets of marketing and entrepreneurial processes that hasemerged as the conventional conceptualisation of EM but fully includes all aspectsof AM (administrative marketing) and entrepreneurship.



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Morris et al. (2002), Entrepreneurial marketing is "proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resource leveraging and value creation.

#### **Entrepreneurial Marketing Dimensions**

Morris et al. (2002) stated that there are seven dimensions, namely opportunity-driven, proactiveness, innovation-focused, customer intensity, risk management, resource leveraging dan value creation. These dimensions are supported by the results of research by Miles & Darroch (2006), as well as the results of research by Morrish and Deacon (2009).

Morris et al. (2012) stated that there are four dimensions of entrepreneurial marketing, namely Opportunity creation, Customer intimacy based innovative products, Resource enhancement, dan Legitimacy.

If explained, the meaning of each dimension of entrepreneurial marketing is

- a. Risk Taking. In conjunction with the search for opportunities in an uncertain environment, marketers will make estimates of the risks that might occur.
- b. Proactiveness. The attitude of taking early action initiatives to influence and take advantage of a certain situation.
- c. Opportunity Focus. Prioritizing the use of opportunities regardless of the resources owned.
- d. Innovativenes. Creation of markets with new or unique products, providing the necessary resources to develop products through learning, and creating new values that shape a competitive environment
- e. Value Creation. Search for unused resources and create unique combinations of resources to create values.
- f. Customer Intensity. Focuses on innovative approaches related to how to create new relationships or use existing relationships to create new markets.
- g. Resource Laveraging. Develop a creative capacity to utilize resources.

#### Competitiveness

Competitiveness is the concept of comparing the capabilities and performance of the company. The capabilities referred to are :

- 1. Ability to strengthen its market share
- 2. Ability to connect with the environment
- 3. The ability to increase performance without stopping
- 4. Ability to enforce favorable positions.

According to Porter (2008 : 419) competition is very important for the success or failure of a company. Therefore, to face the competition which is getting tougher from day to day, every company must be able to read the competitive opportunities it has.

According to Porter (2000) competitiveness is the ability or advantage used to compete in certain markets. This competitiveness is created through continuous development in all lines of the organization, especially in the production sector. If an organization carries out continuous development it will be able to improve performance.

Competitiveness is determined by the competitive advantage of a company and very much depends on the level of relative resources it has or what is commonly known as competitive advantage.

Furthermore, Porter explains the importance of competitiveness because of the following three things:



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- 1. Boost productivity and increase self-sufficiency
- 2. Can increase economic capacity, both in the context of the regional economy and the quantity of economic actors so that economic growth increases
- 3. The belief that market mechanisms create more efficiency.

#### How to Determine Competitiveness

Michael A. Porter (introducing 3 types of generic strategies, namely:

- 1. Cost Leadership. Emphasis on producing standardized products (the same in all aspects) at very low unit costs. These products (goods or services) are usually aimed at consumers who are relatively easily affected by price shifts (price sensitive) or use price as a determining factor.
- 2. Differentiation. Encourage companies to be able to find their own uniqueness in the target market. The uniqueness of the product (goods or services) being put forward allows a company to attract the greatest possible interest from its potential consumers.
- 3. Focus. It is intended to serve the needs of consumers which are relatively small in number and in making decisions to buy is relatively unaffected by price.

#### **SWOT Analysis**

SWOT analysis stands for strengths, weaknesses, opportunities, and threats. SWOT analysis is a method of strategic planning for a company or organization. Kotler and Keller (2009: 63) divide the SWOT analysis into two factors, namely: external factors consisting of opportunities and threats and internal factors consisting of strengths and weaknesses.

SWOT analysis is a systematic identification of various factors to formulate a company strategy (Rangkuti, 2004: 18). Komarudin (2003: 46) also explains that SWOT analysis is one of the popular methods for determining an effective marketing management strategy. The SWOT analysis will match the four elements that are interconnected so that the results are strategies that can be used as an alternative strategy for the company.

#### 3. Method

#### **Types of Research**

This research is interpretive using a qualitative approach. Interpretive qualitative research is a method that focuses on signs and text as the object of study, as well as how the researcher understands and interprets the code behind the sign and text. From its interpretive form, Researchers act as observers who have certain qualifications and are competent to be able to report their findings objectively, clearly, and accurately regarding their own observations, and based on the experiences of others about the social world (Salim, 2001: 25)

#### **Research Focus**

The focus of the research is set so as not to cause confusion in verification, reduction, and analysis of data or information obtained in the field (Fauzan and Djunaidi, 2012: 46). Based on the problems that have been formulated, researchers set the focus of research more on identifying opportunities, threats, strengths and weaknesses of the Songkok SMI in Gresik Regency, then identify what dimensions of entrepreneurial marketing can be applied to SMI Songkok in Gresik Regency through Entrepreneurial Marketing.



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#### **Research Sites**

This research was conducted at one of the songkok craft centers located in Bungah District, Gresik Regency, where in the region is one of the centers of the national songkok craft industry that has been around since the 1970s. based on the object, this research is a type of field research (field research). Researchers chose this location because the people in the area are one of the players in the songkok handicraft industry who have been running for a long time but have not yet reached an optimal level of business growth.

#### **Data Source**

The data source used in this research is primary data. Primary data according to Purhantara (2010: 79) is data obtained directly from the object of researchin this case the researcher obtains direct data using predetermined instruments.

#### **Data Collection Technique**

#### Observation

Observation is the choice, modification, recording, and coding of a series of behaviors and situations that are favorable to natural situations or in accordance with empirical goals (Hasan, 2002: 86).

#### Interview

An interview is a conversation with a specific purpose carried out by two parties, namely the interviewer who asks the question and the interviewee who provides the answer to the question (Moleong, 2012: 186)

#### **Research Instruments**

The research instruments used in this study are:

- a. Interview. The interview guide is a list of questions that are used as a reference in obtaining information from respondents. These guidelines are prepared not only based on research objectives, but also based on theories relating to the problem to be studied.
- b. Researcher. The researcher as the main instrument by using the five senses to observe the object in the study and then processing it as a result of the research.

#### **Method of Analysis**

The method of analysis used in this research is the SWOT matrix. The stages in data analysis in this study are as follows:

- a. Conduct an analysis of the company's internal and external environment which is the basis for conducting a SWOT analysis.
- b. SWOT is carried out through the EFAS (External Strategic Factor Analysis Summary) matrix which will describe the external factors (opportunities and threats) that the company has, and IFAS matrix (Internal Strategic Factor Analysis Summary) which will describe the strengths and weaknesses of the company. The SWOT matrix is a tool for formulating alternative corporate strategies based on strengths, weaknesses, opportunities and threats.
- c. Formulate the formulation of the strategic direction using the TOWS matrix to obtain alternative strategies by combining each factors : SO strategy (Strengths-Opportunities), WO strategy (Weaknesses-Opportunities), ST strategy (Strengths-Threats), and WT strategy (Weaknesses-Threats).
- d. Creating a Cartesian diagram is part of the way to determine the correct quadrant



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e. The results of the SWOT analysis are related to the dimensions of entrepreneurial marketing and competitiveness theories which are the basis for researchers to formulate appropriate strategic steps to improve company competitiveness, and have been adjusted to company conditions.

#### 4. Result and Discussion

#### **SWOT** analysis

	Internal Factors (Strenght & Weakness)						
	Strategic Factors	Integrity	Rating	Score			
	Strenght						
1	Experienced	0,20	5	1,00			
2	Familiar brand	0,07	3	0,20			
3	Good relationship with the network	0,20	4	0,80			
Sub Total							
	Weakness						
1	Working capital	0,20	3	0,60			
2	Traditional management	0,13	2	0,27			
3	Human Resources	0,07	1	0,07			
4	Design & Model	0,13	2	0,27			
Sub Total				1,20			
	Total	1,00		3,20			

Table	1.	IFAS	Matrix
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The conclusion from the IFAS matrix above, it can be seen that the strength factor that has the highest score is having experience in making songkok products, so that it has quality and results that are maintained. The songkok model which is relatively the same and monotonous with a few choices of models makes the type of velvet fabric and the sewing pattern of the songkok become the main determinants in assessing product quality and determining the selling price. As for the weakness factors that have the highest score are related to capital structure and working capital turnover, where for every transaction between a producer and an agent or shop, almost all of them use a consignment sales system (entrusted to sell) or a payment system due (1 - 6 months), this has an impact on the low turnover of working capital, and for business actors who do not have additional capital, they will produce songkok again if there is already payment from their customers, so that this has a direct impact on the productivity of the SMI. The payment system (consignment or tempo) is applied because songkok has a seasonal market so that the seller (agent or shop) does not want to take risks in the turnover of their business capital. This weakness is one of the important problems that must be solved together because it has become a major obstacle for business actors in developing their business.

The results of the IFAS matrix analysis on the songkok SMI which include all internal factors (strengths and weaknesses) obtained a total score of 3.20, where currently the songkok SMI has a greater strength factor than the weakness factor, Thus, business actors are expected to be able to maintain their existing strengths as a competitive advantage and begin to consider and think about various alternative solutions in capital and business financing to reduce the factors that are their main weakness.

Meanwhile, if you look at the EFAS table, it can be concluded that the main external factor that has the highest opportunity score is "Using the internet (Digital marketing) to expand market reach", In other words, one of the opportunities for songkok SMIs to improve their business performance (productivity, sales and distribution) is by starting to run a business using internet or digital media. There are many ways you can do this with a digital marketing strategy, including : selling products in the marketplace (Tokopedia, Bukalapak, Shopee,



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Blibli, Lazada), promotion through social media (Youtube, Facebook, Instagram), and also by creating a website as an identity for product exclusivity and also to expand marketing networks.

	External Factors (Opportinity & Threath)						
	Strategic Factors	Integrity	Rating	Score			
	Opportunity						
1	The total population of Indonesia	0,17	4	0,67			
2	Become part of the culture	0,11	3	0,33			
3	A vast country	0,17	3	0,50			
4	Digital Marketing	0,17	5	0,83			
	Sub Total						
	Threath						
1	Apart from velvet fabric	0,11	3	0,33			
2	Competitors from larger companies	0,17	4	0,67			
3	Seasonal market	0,11	2	0,22			
	Sub Total						
	Total	1,00		3,56			

#### Table 2. EFAS Matrix

The biggest threat factor in the EFAS table is the existence of "big name competitors (Awing, Atlas, Wadimor)". This is because these competitors in addition to using innovation and differentiation strategies, they also have large capital to produce a much larger production quantity and a wider distribution network, and also already has a positive image of the previous product, so that it is easily recognized and the agent or shop can sell it easily.

The results of the EFAS matrix analysis which includes all external factors (opportunities and threats) produce a conclusion that the songkok handicraft industry has a greater level of opportunity compared to existing threats, so that this can be a reference and evaluation for business owners in determining the right business strategy by taking advantage of every opportunity that exists, and this will indirectly relate to several dimensions of Entrepreneurial marketing.

#### Matriks TOWS

Based on the results of analysis and calculations from the IFAS and EFAS tables, SMI Songkok can formulate and formulate a strategic direction using the TOWS matrix developed by Weihrich (Wheelen and Hunger, 2004: 115 in Solihin, 2012: 169). The TOWS matrix is one way to get alternative strategies by combining each of the factors, namely: SO (Strength-Opportunity) strategy, WO (Weakness-Opportunity) strategy, ST (Strength-Threat) strategy, and WT (Weakness-Threat) strategy. From the observations, The strategy of the TOWS matrix for songkok SMI can be concluded as follows:

#### **SO Strategy**

Strategies that result from a point of view that certain companies or business units use their strengths to take advantage of various opportunities (Solihin, 2012: 170). SO strategy for SMI Songkok consists of:

- 1. Maintain product quality for each varian product
- 2. Maintain and build a positive brand image
- 3. Maintain and enhance good relations with business partners because they are the spearhead of the sale of Songkok products.
- 4. With the vast geographic area of Indonesia and the growing population of Indonesia, the potential for increasing sales is still wide open, this is by expanding and improving the distribution network.
- 5. Build a corporate image through the internet by creating a website and social media
- 6. Try out the possibility to sell via social media and certain marketplace sites.



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#### ST STrategy

ST strategy is a strategy that results from a point of view that certain companies or business units use their strengths to avoid threats (Solihin, 2012: 170). The ST strategies that are relevant for SMI Songkok are:

- 1. Looking for investors or working with certain business entities to invest business capital in order to increase production capacity and expand distribution networks.
- 2. Moving production centers to areas that have lower wage standards in order to reduce production costs, so that it is hoped that they can produce products with more competitive prices.
- 3. Improve the quality of relationships with agents or resellers
- 4. Conducting promotions to improve product image.

#### WO Strategy

WO strategies are various strategies that result from a perspective that a company or certain business unit can take advantage of various opportunities in the external environment by overcoming all the weaknesses of internal resources that the company currently has (Solihin, 2012: 170). The WO strategy consists of:

- 1. Looking for investors to increase working capital in order to increase production capacity and expand distribution networks
- 2. Creating new models for specific market segmentation
- 3. Create websites and social media and start selling through social media and certain marketplace sites
- 4. Improve a more modern and professional management system.

#### WT Strategy

The WT strategy is a variety of strategies that are defensive in nature, and aims to minimize all weaknesses and threats (Solihin, 2012: 170). The WT strategies recommended to Songkok business actors include:

- 1. Looking for cheaper labor to produce products at a more competitive selling price
- 2. Running a promotional strategy that is cheap but effective, namely by maintaining good relations with the distribution network and implementing the word of mouth strategy.

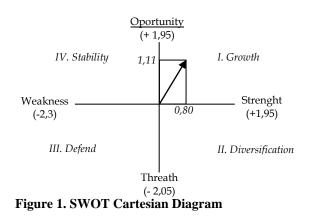
#### SWOT Cartesian Diagram

Based on the IFAS Matrix, the result shows that the score for the strength factor is 2.00 and the score for the weakness factor is 3.20. Meanwhile, based on the EFAS Matrix for the opportunity factor, the score was 2.33, while for the threat factor it was obtained a score of 1.22.

Strength has a higher score than weakness with a difference of 0.80, meanwhile, the opportunity score is also higher than the threat score with a difference in value of 1.11. From the identification results of all internal and external factors and the determination of the difference in score values, then it is depicted in the SWOT Cartesian diagram, where the strength and opportunity factors are given a positive value (+), while the weakness and threat factors are given a negative value (-). Then a SWOT Cartesian diagram can be drawn as follows:



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Based on the SWOT Cartesian diagram in Figure 2, it can be seen that the Songkok SMI is currently in quadrant 1, which means that the strategy used is the Strength-Opportunity (SO) strategy which is also known as an aggressive strategy. Table 3 below also shows that the largest number of scores obtained on the SO strategy is 4.33.

SMI Songkok in Gresik Regency							
IFAS	Strengths	Weaknesses					
EFAS	-S-	-W-					
One outrouition	SO Strategy	WO Strategy					
Opportunities - <b>O</b> -	= 2.00 + 2,33	= 1.20 + 2,33					
-0-	= 4,33	= 3,53					
Threats	ST Strategy	WT Strategy					
	=2,00+1,22	= 1,20 + 1,22					
-T-	= 3,22	=2,42					

### **Table 3. Combination of Quantitative Strategies**

Referring to the results of the analysis, currently Songkok handicraft businesses should be more aggressive in marketing their products with the aim of increasing business income by increasing sales, so that the implementation of this strategy is as follows:

- 1. Maintain product quality.
- 2. Build a positive brand image
- 3. Maintain and improve the quality of friendly relationships with agents or stores, so that they are willing to recommend products to buyers who do not have choice or loyalty to certain brands
- 4. Expanding and improving the distribution network.
- 5. Opening up space to cooperate with other people who act as investors, to increase business capital and increase production capacity.
- 6. Take advantage of the digital era by starting to consider building a company image through the internet by creating websites and social media, or increasing sales by selling independently through certain marketplace sites. Among others:
  - a. Creating a website with a commercial domain name to expand market reach and build new distribution networks
  - b. Creating social media accounts (Facebook, Instagram) to attract the millennial market
  - c. Using social media accounts (Facebook, Instagram, Youtube, Pinterest, etc.) to introduce products to the wider community.



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d. Create an official store account to sell on the marketplace, such as: Tokopedia, Bukalapak. Shoppe, Lazada, Blibli, etc.

#### **Entrepreneurial marketing**

Entrepreneurial marketing is a concept that initially appeared in small-scale business actors or business actors who were just starting their business (Stokes, 2000). This is in accordance with the opinion of Bjerke and Hultman (2002), which defines entrepreneurial marketing as a marketing concept for retail companies that grow through entrepreneurship. Not all small business owners are entrepreneurs, so the focus has shifted towards marketing by entrepreneurs.

Entrepreneurs are those who create something new - according to Schumpeter, or those who are keen to see opportunities - according to Kirzner (Metcalfe, 2006 in IONITĂ, 2012). The concept of entrepreneurial marketing is a combination of the concepts of entrepreneurship and marketing.

According to Morris et al. (2002), every marketer has the opportunity to take opportunities in the market, namely how to increase revenue and market share. However, if the opportunities are not addressed with an entrepreneurial spirit, the results will not be optimal.

Based on the results of observations and observations, a preliminary conclusion is obtained that the ability of entrepreneurial marketing for songkok handicraft businesses shows that entrepreneurial marketing has not been fully implemented, because it does not have good marketing management competencies.

Meanwhile, the dimensions of entrepreneurial marketing that can be applied to improve the competitiveness of songkok SMI in Gresik are: Risk Taking, Innovation, and Customer Intensity.

#### 5. Conclusions

Based on the results of research using SWOT analysis, it can be concluded that the strength factor of the songkok small and medium industry (SMI) business actors is having quite a long experience in the Songkok handicraft industry, have good and kinship with business partners (agents and retailers), and have a well-known brand in the market. As for the weakness factors, namely the capital structure and low working capital turnover due to selling products with a consignment system or a due date, still managing businesses with traditional management systems, Songkok designs are monotonous and the same as each other, human resources are becoming scarce and expensive.

Meanwhile, for the external environmental analysis, it identifies the opportunity factor in the form that Indonesia is a large unitary state, Indonesia's population is increasing, Songkok is a cultural asset and one of the symbols of Indonesian national identity, and the internet is one of the most effective promotional media to be used today to widen the distribution range and increase sales. The last factor is the threat factor in the form of competitors from large companies, the emergence of caps with many choices of colors, styles, and materials other than velvet, and the songkok itself only has a sales cycle of 6 months in a year (Rajab, Sya'ban, Ramadhan, Syawal, Dzulqo'dah, and Dzulhijjah).

From the results of the research conducted, currently songkok SMI is in quadrant I (One), namely the "Aggressive" quadrant which is also referred to as the SO (Strength - Weakness) strategy. that is, an offensive and aggressive strategy aimed at increasing sales and dominating a particular market.

The conclusions from the application of entrepreneurial marketing at SMI Songkok are as



follows: (1) Risk Taking. Songkok SMI Not too brave to take risks in expanding market reach and increasing production capacity; (2) Proactiveness. SMI Songkok is not proactive in taking advantage of every opportunity and potential that exists to improve the competitiveness of its companies. one of them is to try to improve the corporate governance management system and also learn digital marketing to keep up with and adapt to current developments in order to increase sales; (3) Opportunity - Focus. The lack of sensitivity of songkok business actors in reading an existing opportunity, the majority of them are too submissive to the existing situation and have a low spirit of business combat; (4) Innovativenes. SMI songkok has made an innovation by developing derivative products in the form of painted songkok and custom product. Meanwhile, competitors from SMI songkok which are big players have innovated by making songkok without paper; (5) Value Creation. SMI Songkok has not implemented the dimension of value creation, where it has not tried maximally in an effort to find unused resources and create a unique combination of resources to create values; (6) Customer Intensity. I Songkok SMI has implemented the customer intensity dimension by establishing good relationships and communication with a family system with agents or shops as consumers; (7) Resource Laveraging. Songkok SMI knows which resources have not been used optimally and how these resources will be used unconventional. But they are not able to encourage workers to work more than expected due to high labor costs and people prefer to work in factories instead of having to become craftsmen or songkok tailors.

The competitiveness strategy that can be applied by the Songkok SMI is the Cost Leadership strategy, where business actors place more emphasis on producing products with low unit costs by increasing production capacity and looking for workers who have cheaper labor standards, where business actors place more emphasis on producing products with low unit costs by increasing production capacity and looking for workers who have cheaper labor standards.

#### Recommendation

This suggestion is intended for further research, namely: (a) This research only discusses in general about the SWOT analysis for the SMI songkok layer or cluster with a production capacity in the range of 200 - 500 scores per month. so that it cannot represent the whole condition of the songkok SMI in Gresik Regency. So suggestions for further research can be examined more deeply and also include SMI which has a production capacity of more than 500 scores per month; (b) This study has limitations, it only discusses how to apply the dimensions of entrepreneurial marketing, and determines competitiveness strategies according to Michael A. Porter, So that it is hoped that in future studies it can add to the application of entrepreneurial marketing in a wider and deeper way, for example those that have an impact on business continuity or business performance, and can also recommend a competitive strategy or sales strategy that is easily accepted and implemented by the Songkok SMI business actors in Gresik Regency.

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